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**REPORT BY THE DIRECTOR-GENERAL ON A STUDY
ON THE ESTABLISHMENT AND ADMINISTRATION OF
A SOLIDARITY FUND FOR SAFE WATER FOR ALL**

SUMMARY

The present document was prepared in conformity with 166 EX/Decision 3.6.2 by which the Board invited the Director-General to submit a study on the establishment of a solidarity fund for safe water for all.

The present document also contains draft statutes and financial regulations.

Decision proposed: paragraph 17

Rationale

1. Recent major international events and agreements have drawn the attention of governments, NGOs, the United Nations system, international financial institutions, business and industry, and others to the importance of freshwater issues. Water has now reached the top of the international agenda, with the focus for the coming years on implementation of existing agreements. While water is recognized as a key world problem in its own right, it is also increasingly considered within the broader context of poverty eradication, health, education and capacity-building, economic and social development, and a host of other economic, social and environmental factors. A holistic, sustainable development approach to understanding and solving the world's water problems is therefore seen as key to effective action.

2. The main events and agreements converging to determine the current international agenda with regard to the sustainable development and management of freshwater resources are:

- (a) Agenda 21, chapter 18: "Water is needed in all aspects of life. Adequate supplies of water of good quality should be maintained for the entire population of this planet, while preserving the hydrological, biological and chemical functions of ecosystems, adapting human activities within the capacity limits of nature and combating vectors of water-related diseases".
- (b) The Millennium Declaration and Millennium Development Goals (2001): To halve, by the year 2015, the proportion of people without sustainable access to safe drinking water.
- (c) Johannesburg Summit Plan of Implementation (2002): Reaffirmation of the MDG for water and addition of the goal "To halve, by the year 2015, the proportion of people without access to basic sanitation, and calling on countries to "develop integrated water resources management and water efficiency plans by 2005".
- (d) First World Water Forum (1997), Second WWF (2000), and Third WWF (March 2003).

3. It is widely recognized that, to implement the international agenda for freshwater, in particular to reach the Millennium Development Goal by 2015, major new investments in water infrastructure and services are required. The World Panel on Financing Water Infrastructure, chaired by Michel Camdessus, has recently published the report "Financing Water for All" which examines the question of financing in considerable detail.

4. In order to provide the necessary water infrastructure and services, however, adequate assessment of water availability and vulnerability is required at a scale appropriate for water supply and sanitation development. It is in this area that UNESCO has the mandate and the responsibility to make a major contribution, drawing on its long-established International Hydrological Programme (IHP) and on the United Nations system-wide World Water Assessment Programme hosted within UNESCO.

5. The proposed solidarity fund for safe water for all could provide a channel for injecting new and additional funding to enable UNESCO to make a significant contribution by providing this essential knowledge and data.

Proposed terms of reference for the fund

6. Taking into account the decision of the Board and the rationale for creating a fund, the following terms of reference are proposed by the Director-General for consideration by the Executive Board.

7. The purpose of a solidarity fund for safe water for all would be to provide a new mechanism for mobilizing the expertise and networks of the International Hydrological Programme (IHP) and the United Nations World Water Assessment Programme in support of internationally agreed upon targets concerning freshwater and sanitation. Of particular concern is contributing to implementing the Millennium Development Goal to halve, by the year 2015, the proportion of people without access to safe drinking water, and the goal set by the World Summit on Sustainable Development to halve, by the year 2015, the proportion of people without access to basic sanitation, and calling on countries to “develop integrated water resources management and water efficiency plans by 2005”.

8. The fund would be established in accordance with Article X of the Statutes of the International Hydrological Programme which stipulates that “voluntary contributions may be accepted and established as trust funds in accordance with the Financial Regulations of the United Nations Educational, Scientific and Cultural Organization and administered by the Director-General on the allocation of such contributions for international projects within the Programme”.

9. The fund would be established formally as soon as resources have been committed.

10. Consistent with UNESCO’s mandate and responsibility, the fund would be used to support primarily the assessment of water availability and vulnerability at a scale appropriate for water supply and sanitation development. Such assessment would provide the necessary knowledge base needed for the major new investments which are deemed essential to achieve the water-supply-related Millennium Development Goal.

11. In a first phase, the principal task of the fund would be to determine water availability for the whole African continent,¹ taking as a starting point relevant assessment work already undertaken within IHP and WWAP. The focus would be on assessing groundwater availability² across the continent in a fine mesh using available data and modelling capacities, within three years of the launching of the fund if adequate resources are available. The information would be available in a format that could be used for detailed water supply studies. Activities undertaken in phase one

¹ In anticipation of this document, the case of Nigeria was examined with the IHP National Committee of Nigeria. Nigeria, like many other countries in Africa, has given priority to provision of water. This has led to the drilling of boreholes to tap groundwater resources for use by local communities. There is a risk that these boreholes will be unproductive if they are drilled without having first conducted an assessment of the resources available and without adequate scientific and geophysical studies. Of particular importance is to conduct scientific studies of aquifers with a view to elaborating sound management policies. In Nigeria, there is also need for evaluation of water quality and of treatment capacity.

² Despite the recognition by the African Ministerial Council on Water (AMCOW) of the critical role that groundwater could play in supporting basic needs and economic development in the African continent, there is still a lack of knowledge on the availability and characteristics of groundwater. Most of the arid and semi-arid African countries depend on groundwater. Groundwater is also the only source of safe, good-quality water in humid countries.

would be in line with initiatives and activities of NEPAD and the African Ministerial Council on Water (AMCOW).³

12. The fund would contribute during phase 1 to enhancing the capacity of national institutions to manage water resources, by building up a computerized groundwater database which would facilitate the exchange of information. The fund would also train African technicians to manage regional water resources and build up the capacity of Member States that share certain transboundary aquifers. Studies would also include laboratory analysis of water quality to determine its potability, while recommending appropriate treatment where necessary.

13. In a second phase, the existing surface water assessments could be coupled to the groundwater issues serving as a basis for the comprehensive planning and management of water supply facilities.

14. Phase 1 activities to be supported by the solidarity fund would be selected by the Council of the International Hydrological Programme (or by its Bureau upon delegation by the Council), according to criteria and to a procedure to be developed in due course. Appropriate monitoring and reporting procedures would also be established. For phase 2, an evaluation of the results of phase 1 would be undertaken, and parameters for future activities redesigned by the IHP Bureau as necessary.

15. The International Hydrological Programme would provide scientific and technical support to activities supported by the fund in the following areas, *inter alia*:

- (a) design and establishment of the hydrological and hydrogeological database and facilitation of exchange of information among Member States in Africa;
- (b) support to national institutions for project proposals, preparation for fund-raising, and presentation to international donors (World Bank, GEF, EU and others);
- (c) training and capacity-building in groundwater investigation and interpretation techniques along with the provision of necessary hardware and software;
- (d) mapping of the outcrop areas of aquifers and establishment of a network of monitoring wells;
- (e) protection of identified well-head areas;
- (f) selection of pilot community areas in the participating countries for implementing the programme;
- (g) coastal groundwater management.

Draft statutes and draft financial regulations

16. Annex I provides draft statutes and Annex II draft financial regulations for a solidarity fund for safe water for all, for consideration by the Executive Board.

³ The first meeting of the Steering Committee of the African Ministerial Council on Water (AMCOW) was held on 23 and 24 May 2003 in Dakar, Senegal. The meeting emphasized that the supply and quality of freshwater in Africa remains one of the most critical issues of the twenty-first century. In Africa close to 40% of the population lacks access to a safe water supply. An even greater percentage lacks adequate sanitation.

Proposed draft decision

17. The Executive Board may wish to adopt a decision along the following lines:

The Executive Board,

1. Recalling 166 EX/Decision 3.6.2,
2. Having examined document 167 EX/7,
3. Approves the draft statutes for the fund set out in Annex I of document 167 EX/7;
4. Notes the draft financial regulations set out in Annex II of document 167 EX/7.

ANNEX I

DRAFT STATUTES FOR A SOLIDARITY FUND FOR SAFE WATER FOR ALL

I. Name and nature of the Fund

As foreseen in Article X of the Statutes of the International Hydrological Programme, the Fund shall consist of voluntary contributions from States, Foundations, international agencies and organizations, as well as other donors. The Fund shall be called the “Solidarity Fund for Safe Water for All”, hereafter referred to as the “Fund”.

II. Establishment and duration of the Fund

The Fund will be formally established once a commitment of resources has been communicated to the Director-General. If funding becomes available, the first phase of operation of the Fund will have a duration of four years: 2004-2007. At that time a review will be undertaken and the results reported to the Executive Board, with a view to a second phase.

III. Eligibility

- (a) The Fund shall be used to support activities concerning water resources development, in order to provide better access to good-quality water by those living in extreme poverty. Water resources development will be based on a thorough and reliable assessment of water availability and vulnerability of natural systems. The activities will be undertaken within the framework of the International Hydrological Programme, and will contribute to the implementation of priorities and targets fixed by the Millennium Development Goals, the World Summit on Sustainable Development, NEPAD and AMCOW.
- (b) The Fund shall be allocated irrespective of any consideration of the nationality, race, sex, language, profession, ideology or religion of the individual or individuals concerned.
- (c) The activities supported by the Fund shall be undertaken by national, regional and international institutions as well as by NGOs and internationally recognized experts.

IV. Nomination and selection of the activities to be supported by the Fund

The Council of the International Hydrological Programme (or its Bureau, upon delegation by the Council) shall be responsible for selection of activities for support by the Fund. Activities can be proposed by Member States, IHP National Committees, NGOs, national, regional and international institutions, as well as research laboratories and individuals. Proposed activities will be put forward to the IHP Secretariat according to a procedure, standard format and criteria to be established by the Council (or Bureau) in due course, in consultation with the UNESCO-IHP Secretariat. If the Council has delegated authority to the Bureau, the Bureau will report to the Council on the activities supported by the Fund.

V. Coordination with ongoing programmes

The Fund activities will be implemented within the framework of the International Hydrological Programme, and in close cooperation with the United Nations World Water Assessment Programme. Fund activities will complement the other water initiatives such as programmes of the Global Environment Facility, the European Initiative for Africa and the G8 “Action Plan for Water”.

ANNEX II

DRAFT FINANCIAL REGULATIONS FOR A SOLIDARITY FUND FOR SAFE WATER FOR ALL

Article 1 – Creation of a Special Account

1.1 In accordance with Article 6, paragraph 6, of the Financial Regulations of UNESCO and Article X of the IHP Statutes, a Special Account is hereby created to be known as the “Special Account for the Solidarity Fund for Safe Water for All”, hereafter referred to as the “Special Account”.

1.2 The following regulations shall govern the operation of this Special Account.

Article 2 – Financial period

The financial period shall correspond to that of UNESCO.

Article 3 – Purpose

The purpose of the Special Account is to mobilize funds to finance the Solidarity Fund for Safe Water for All.

Article 4 – Income

The income of the Special Account shall consist of:

- (a) voluntary contributions from States, foundations, international agencies and organizations, as well as other entities, after approval by the Secretariat of the UNESCO IHP.
- (b) miscellaneous income, including any interest earned on the investments referred to in Article 7 below.

Article 5 – Expenditure

UNESCO shall establish for this Special Account a dedicated budget code, or series of related budget codes, for each activity, and record therein all income referred to in Article 7 as well as all expenditure incurred for direct implementation of activities. The Bureau of the International Hydrological Programme may elect to transfer 10% of income at the end of each biennium, if without prejudice to planned implementation, to a capital fund in order to constitute reserves that would generate greater interest income over the life of the Special Account.

Article 6 – Accounts

6.1 The UNESCO Comptroller shall maintain such accounting records as are necessary.

6.2 Any unused balance at the end of a financial period shall be carried forward to the following financial period.

6.3 The accounts of the Special Account shall be presented for audit to the External Auditor of UNESCO, together with the other accounts of the Organization.

Article 7 – Investments

7.1 The Director-General may make short-term investments of sums standing to the credit of the Special Account.

7.2 Interest earned on these investments shall be credited to the Special Account.

Article 8 – Closure of the Special Account

The Director-General shall decide upon the closure of the Special Account at such time as he deems that its operation is no longer necessary.

Article 9 – General provision

Unless otherwise provided in these Regulations, this Special Account shall be administered in accordance with the Financial Regulations of UNESCO.